

**MINUTES OF THE
BOARD OF BUSINESS AND ECONOMIC DEVELOPMENT
October 14, 2004 Meeting**

Members Present:	Mark Howell, Karen Alvey, Richard Nelson, Bill Boyle, Ted Smith, Kenneth Woolley, Joel Bradford, Ed Ekstrom, and Jerry Oldroyd
Members Absent:	Barbara Zimonja, DelLoy Hansen, Debra Tanzi, David Simmons, and Cliff White
Visitors:	Lesley Mitchell, Salt Lake Tribune, Brice Wallace, Deseret Morning News, Jerrold Jensen, Attorney General Office, Cathy Rawstorne
Staff:	Marian Hein, Tamee Roberts, Lisa Howe, Mark Renda, Kelly Day, Connie Gates, Ron Richins, Dave Douglass, Dave Harmer, Stan Nance, Jeremy Neilson

Welcome

Acting Chairman Mark Howell welcomed the DBED Board, staff, and guests and asked for a motion to approve the September 9, 2004 minutes.

MOTION: Richard Nelson moved and Karen Alvey seconded the motion to approve the minutes. Motion carried.

Utah Olympic Park Presentation

Rondo Fehlberg gave a presentation and slide show of the Utah Olympic Park and explained that some activities have been discontinued due to lack of funds. A brief financial overview was provided with figures supporting the dollars that are necessary to keep the full range of activities in force.

Committee Reports

Incentives Committee

Kenneth Woolley was asked to explain two incentive items that were discussed in the IAF committee meeting and need approval. The first item is project Titan, a confidential manufacturing project with significant capital investment and job creation. It is headquartered in the Mid-West and they want to build another factory in Utah. The capital investment would be around \$1M and would eventually employ 1300 people. They would distribute their product around the western United States. Utah is competing with the state of New Mexico, which has more incentives.

MOTION: Approve for Project Titan a maximum incentive of \$2,225,000 representing 1300 new jobs as follows:

\$2,500 per new employee position with a salary between 125-200% of the county median wage on a post performance basis

\$4,000 per new employee position with a salary meeting or exceeding 200% of the county median wage on a post performance basis

\$200,000 upon breaking ground for construction on the Utah facility

Up to \$150,000 for pre-startup job training cost reimbursement occurring in Utah

Up to \$706,000 for post-startup job training cost reimbursement occurring in Utah

Up to \$375,000 for job transfer program to facilitate the transference of corporate culture and values to the Utah facility

The company must commit to keep operations in Utah for five years

All funds are subject to recapture provisions if the project fails to progress according to schedule

Ed Ekstrom moved and Richard Nelson seconded the motion as written above; motion carried.

The second incentive item presented for approval is for HaleStorm entertainment-- a movie called Mobsters and Mormons

MOTION: To approve for HaleStorm Entertainment- Mobsters and Mormons a film production incentive rebate of dollars left in the state per the schedule already adopted by the Board, not to exceed 12% if Mobsters and Mormons contains Utah Content and dollars left in state equals at least 60% of total project budget. Total dollar amount for the rebate not to exceed \$250,000.

Ted Smith moved and Karen Alvey seconded the motion; Richard Nelson abstained from the vote; motion carried.

Karen Alvey requested that a budget be prepared and updated for distribution to the board every month. Ed Ekstrom suggested that prior to the monthly committee report, the board could be updated with the status. Everyone agreed it was a good idea; Mark Renda will provide the information.

Resolution of Constitutional Amendment Number 2

Ed Ekstrom gave an explanation of why the board is being asked to support the amendment as it is presented on the current voting ballot. He explained that the Utah Constitution prohibits the ability for Utah institutions to actually invest in or hold private equity stock. Jerry Oldroyd added that it is not a general modification, but rather a very narrowly crafted exception that applies only to intellectual property generated by the State or the Universities. Mark Howell asked for a motion to approve the following resolution:

Whereas, This board is supportive of technology based economic development through the commercialization and technology transfer at Utah's research universities for the purpose of creating high paying technology jobs in Utah.

Whereas, The State of Utah through the Centers of Excellence has invested tens of millions of dollars in developing technology for commercialization at Utah's research universities.

Therefore, The board adopts this resolution urging public support to vote yes for Constitutional Amendment Number 2, which creates a narrow exception to the Utah Constitution and clarifies the ability of the State and universities to subscribe to stock in companies that utilize intellectual properties generated from the State's research universities.

MOTION: Ted Smith moved to approve the motion; Richard Nelson seconded; motion carried

Kenneth Woolley and his company ExtraSpace Storage were acknowledged for having done the largest IPO in the State of Utah. Mr. Woolley gave a brief overview of how the company started and how it has grown. Mr. Woolley founded the company in 1979, and there are 136 properties throughout the U.S. The Company's prospectus was distributed to Board members, and everyone congratulated Mr. Woolley on his success. They are one of five companies in Utah who are listed on the NYSE.

Division Reports

Ron Richins gave the update on DBED program activities while Jeff Gochnour is on the Asia Trade Mission:

National

- We are in the process of producing the Business Utah 2005 publication. This is done in cooperation with Utah Business magazine. This should be complete in January of 2005.
- The new ad (featuring Mark Sunday/ Siebel) that we are using in our site selector publications was distributed to everyone.
- We are working in connection with Travel Council to produce some crossover type ads that work for business recruitment, as well as tourism type recruiting.
- There have been active leads in the following areas: Three distribution centers requiring over a million square feet; one corporate campus requiring two and half million square feet; and four other smaller manufacturing companies. We have hosted three site visits since the last board meeting.
- Focusing on putting together events for the CoreNet conference in San Antonio from November 6-9.

Technology and Science

- Invitations for the NASVF conference that we host have been sent out. Approximately 320 people attend this event.

International

- Hosted a trade Mission to Santiago, Chile, and Sao Paulo Brazil last month with Governor Walker and 27 others.
- Jeff Gochnour is currently leading the Trade Mission to Tai-Pei, Hong-Kong.
- Rod Linton will be leading the next group to Saarbrucken, Germany, and Brussels Belgium.
- The Chinese Minister of Science and Technology was here and met with the Governor. They signed a cooperative agreement between China and Utah Trade. The Consul General of Egypt was here meeting with the Governor; The Ambassador from Hungary; The President from Kyrgastan, and officials from Saarland, Germany.

Film

- One of the main projects they are working on is on-line permitting and web links to Utah Film Commission. They hope to have this done by the end of the year. This facilitates out of state film companies doing business in Utah.

Bear

- Procurement Technical Assistance Group ended the year with \$192,000,000 in federal contracts with companies that they are working with. That impacts about 4800 jobs based on the calculations used by the federal government.

- There are several expansion projects going on in Utah County and they are looking to utilize PAB as a vehicle to fund some of their expansions. Most of those are a result of our business visitation program done between Jonnie Wilkinson and Russ Fotheringham.
- Two members of the staff attended the International Economic Development Council meetings in St. Louis. One member of the staff attended a users meeting where 45 people from 30 states were using the Synchrony's business survey software that we are using.
- Ron will be attending a meeting next week in Chicago with 20 other states looking at Best Practices programs around the country that have to do with business expansion and retention.

Rural

- There was a main street conference held in Richfield last week with about 100 attendees, including cities that have main street programs and some new cities.
- Bill Boyle serves as the liaison between the DBED Board and the Governors Rural Partnership and was gave a brief report of what is happening. Bill explained that the Partnership represents an attempt to pull together a broad range of rural interests to develop legislative action plans. The group is administered through DBED with Ed Meyers as the head. A survey to rural residents was done and from that survey nearly 1,000 ideas for rural economic development were garnered. Those ideas were refined at the Utah Rural Summit and the Partnership has tried to condense the items to a preliminary rural action agenda with thirteen separate initiatives. Those thirteen incentives were distributed to the members.

November 18, 2004 Agenda:

Approval of October 14, 2004 minutes

Committee Reports

Division Report

With no further business to take care of, Acting Chairman Mark Howell adjourned the meeting.